

Building

an inclusive culture



WHITBREAD PLC

Gender & Ethnicity Pay Gap Report 2023

Introduction by Rachel Howarth

Chief People Officer



Committed
to driving
meaningful
change

Driving representation at a senior level, both in terms of female and ethnic minority representation, continues to be of real importance at Whitbread. Completing the annual analysis and reporting for our combined gender and ethnicity pay reporting is an important part of how we drive this representation over a multi-year period, whilst allowing us to understand year by year how we are progressing.



I am proud to be part of one of the few businesses in the FTSE 100 that is voluntarily publishing ethnicity pay gap reporting.

This year, our median gender pay gap has reduced from 5.2% to 4.55%, alongside a slight increase in our mean gender pay gap by 0.7 percentage points to 10.5%, in part driven by our change in CEO this year. Whilst it is important for us to acknowledge and understand the slight mean increase, it is also worth noting that our Gender Pay Gap has narrowed by 2.7 percentage points since 2018 (excluding the COVID impacted year). This is momentum we intend to continue.

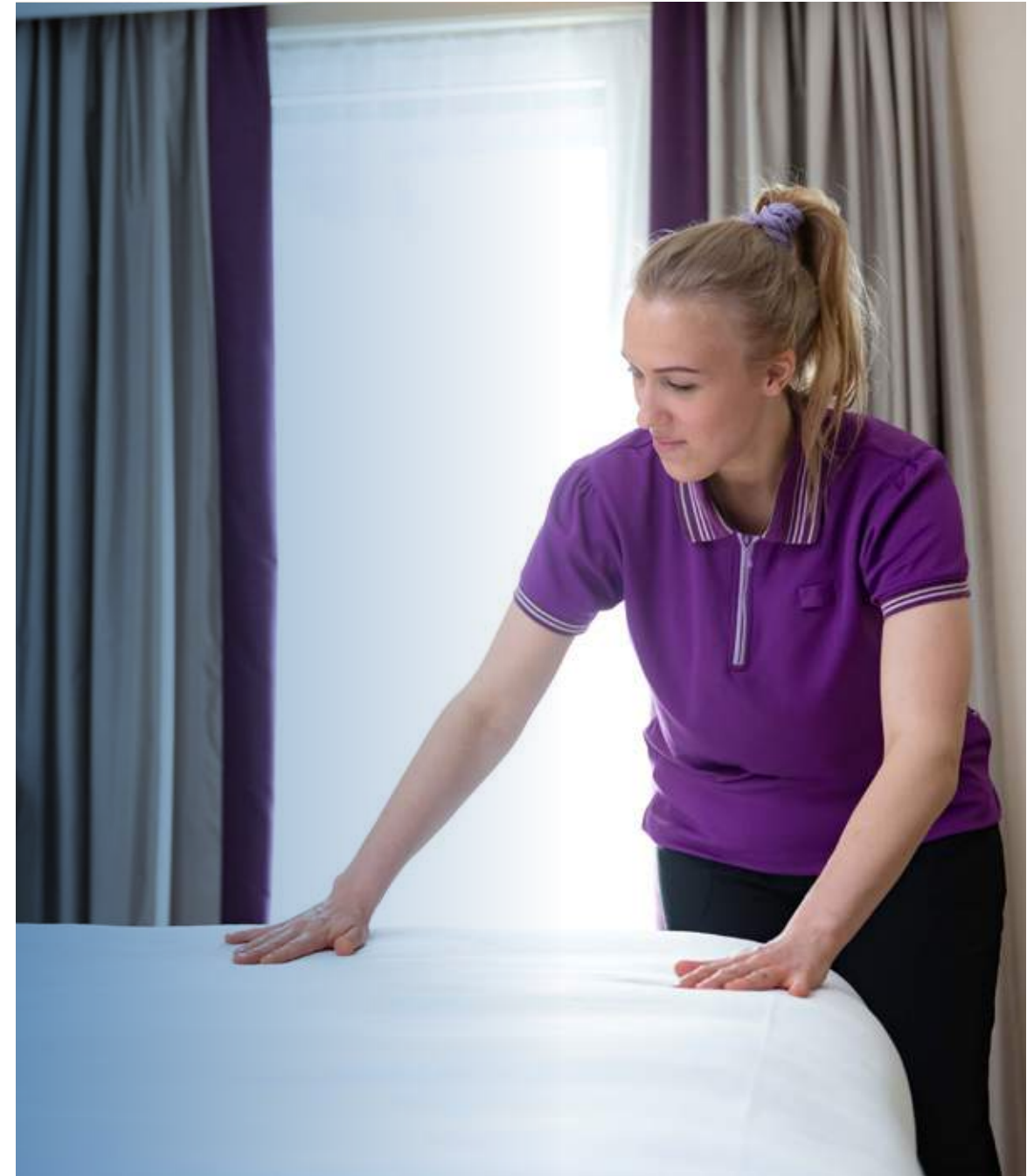
I am proud to be part of one of the few businesses in the FTSE 100 that is voluntarily publishing ethnicity pay gap reporting. Alongside our externally published leadership representation targets, this is a demonstration of how important diversity and inclusion is within Whitbread, and I am committed to publishing this each year.

This year, our median ethnicity pay gap is -3.3%, and our mean ethnicity pay gap is -3.1%, a minimal increase of 0.5 percentage points in favour of ethnic minorities, vs 2022 reporting. This is driven by our increase of ethnic representation in our leadership population over the last 12 months.

Within this report, there is further detail on what is driving our 2023 pay gaps, alongside our action plans to continue and accelerate our positive momentum with representation, whilst continuing to drive an inclusive culture in the months and years to come.

A handwritten signature in black ink that reads "Rachel Howarth".

Rachel Howarth
Chief People Officer
30 November 2023



Making a difference

Gender equality



Led by **Nathan Battle** (People Partner) and **Sally King** (Head of Internal Audit)



This year, our Gender Equality Network has really grown and thrived across our sites and Support Centre.

We are committed to creating an environment where, whatever your gender identity, we have consistency in our equality of representation, reward and opportunity.

We bring this to life through our three priorities – flexibility, family friendly and gender-related health.

A highlight of the year was the launch of our GEN Superheroes awards across the UK and Ireland, as part of our International Women's Day celebrations in March. We encouraged all our teams to nominate those unsung heroes, who demonstrated amazing work to promote gender equality, as a role model or ally. The awards celebration in June was really special and hosted by Rachel Howarth, Chief People Officer; Simon Jones, Managing Director PI&R; and Dame Cilla Snowball, Non-Executive Director.

Throughout the year we have been highlighting menopause as a significantly important topic; as we work towards our Menopause Friendly Employer Accreditation, through a diligent focus on creating support groups for our teams and delivering awareness training on menopause across Whitbread. All Operational Leaders recently completed this training in October 2023.

We were really pleased to be highlighted as an employer that is leading the way in its approach to menopause, by Mims Davies MP, who also visited our sites in January 2023.

Leading and being part of our GEN network is something we are truly passionate about and it's fantastic to see the difference it is making to our teams and our business.

Race, religion and cultural heritage



Led by **Akshay Agarwal** (Regional Operations Manager) and **Verity Davies** (Resourcing Partner)



Our Race, Religion & Cultural Heritage network is committed to driving meaningful change in both representation and experience, for our teams from all cultural backgrounds.

We are both delighted to lead the network, which is made up of our teams across many different cultures, religions and ethnicities.

Over the last 12 months, we have celebrated Race Equality Week, Diwali, Ramadan, Eid, Windrush Day, Black Inclusion Week and Black History Month. We have recently celebrated our biggest Black History Month ever in Whitbread, with a range of activities including a panel event around the theme of 'Saluting Sisters', getting our teams across the country involved.

We have worked on areas that we know are important to our communities such as prayer facilities in our Support Centre, more guidance and support for line managers during Ramadan and working in partnership with BYP (Black Young Professionals) to provide mentors for our Black community.

We are very encouraged by the work the wider business is doing around Ethnicity Pay Gaps, and the analysis continues to demonstrate the need for more senior level role models. Whilst we have made progress in our leadership representation, there is more to do in future years, and we are committed to helping amplify the voices within our network to help be a positive part of this change.

The work we have done so far is demonstrated in our recent 'Investing in Ethnicity – Exemplary Employer Status'. This demonstrates the impact that the network is having. We are both delighted and really proud to lead this inclusion network in Whitbread and look forward to continuing this momentum in the next 12 months.

We encourage all our teams to find us on Viva Engage (Yammer) and come and be part of all our fantastic Inclusion Networks.

Pay gap reporting

explained

The gender pay gap is formed by taking the calculated hourly rate of all women and the calculated hourly rate of all men in our UK business, finding the mean and median and then determining the gap between these numbers across genders. For our ethnicity pay gap, we have used the same approach, comparing ethnically diverse colleagues with white colleagues.

A gender/ethnicity pay gap is not the same as an equal pay gap. Equal pay is the pay difference between different people who carry out the same or similar jobs. Our Pay Gaps are concerned with the difference in the average pay between different groups over a period of time no matter what their role is. **We firmly believe in equal pay for equal work and conduct equal pay audits across both gender and ethnicity every year.** We are confident that across Whitbread, we have the frameworks in place to ensure there is no bias in our pay practices.

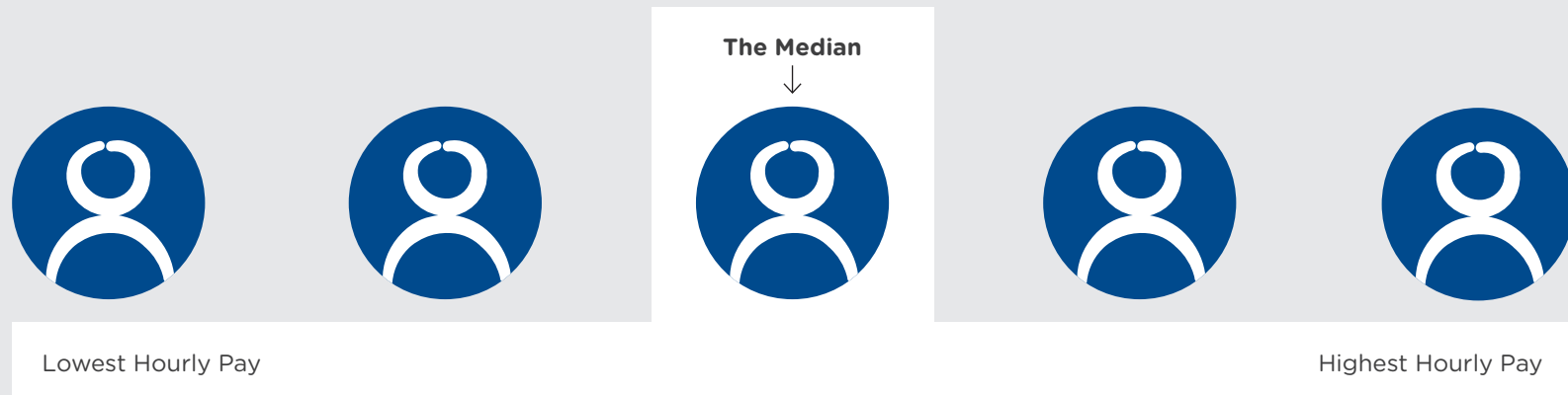
Mean

The mean is calculated by taking the average pay of all of our male employees and comparing this to the average pay of our female employees. We do the same with ethnically diverse and white colleagues.



Median

If we were to line up our male and female employees separately from the lowest to the highest paid then the pay of the employee in the middle is the median. The median pay gap is the difference between the middle male employee and female employee. We do the same with ethnically diverse and white colleagues.



Gender

Whilst our 2023 Median Gender Pay Gap has reduced to 4.55%, our Mean Gender Pay Gap has increased by 0.7 percentage points to 10.5%.

Overall:



It is pleasing to see that the median gap has decreased, alongside a long-term trajectory of improvement since 2018. Whilst it is important to acknowledge this as progress, this is balanced against our slight mean gap increase this year.

The remaining gap, similar to previous years' reporting, continues to be driven by the structure of our employee base. We continue to have a significantly higher mix of women within our hourly pay roles. 66% of our hourly paid teams are female vs 49% of our salaried managers in Premier Inn and Restaurants Operations.

High female representation in our hourly paid roles is driven by the flexibility and availability of hours, which is often disproportionately attractive to women, and a key driver of female representation in our relatively lower paid roles. This driver of the pay gap is inherent in our business model, which is structurally difficult to change, and has remained very stable at around 65% since 2018.

By contrast, at our Support Centres, we have a larger mean Gender Pay Gap, which continues to be driven by having fewer females in our largest, most senior roles. Our female representation in leadership roles has fallen by 3% this year to 40.0%.

This is an area of continual and renewed focus, in particular alongside a new talent process that has been recently introduced to our Support Centres, allowing better pipelining of future talent.

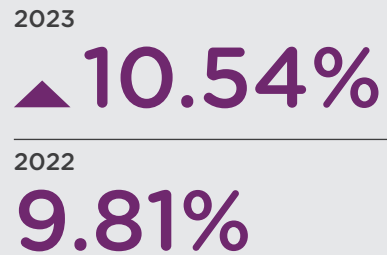


Gender identity

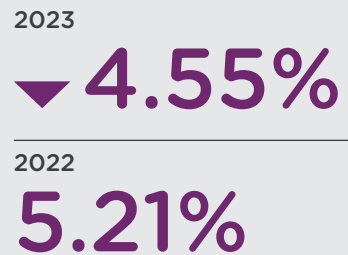
As part of our commitments to inclusion, we take our responsibility towards our non-binary and gender-fluid colleagues very seriously and are proud to be a recognised Stonewall Gold Employer in both 2021 and 2022. Gender Pay Gap regulations mean we must identify our colleagues as men and women; however, we actively support our teams of all gender identities through our inclusion strategy and our LGBTQIA+ inclusion network, GLOW. You can find out more about GLOW in our Diversity and Inclusion Report, available on the Whitbread website.

Gender in numbers

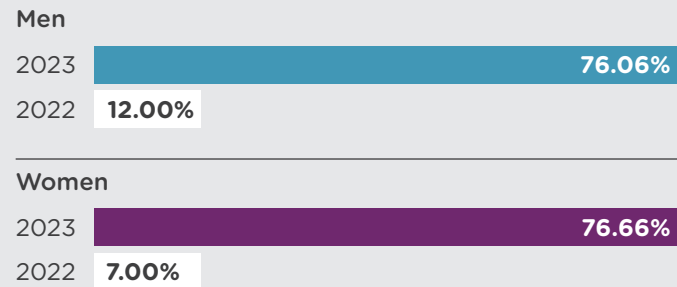
Mean gender pay gap



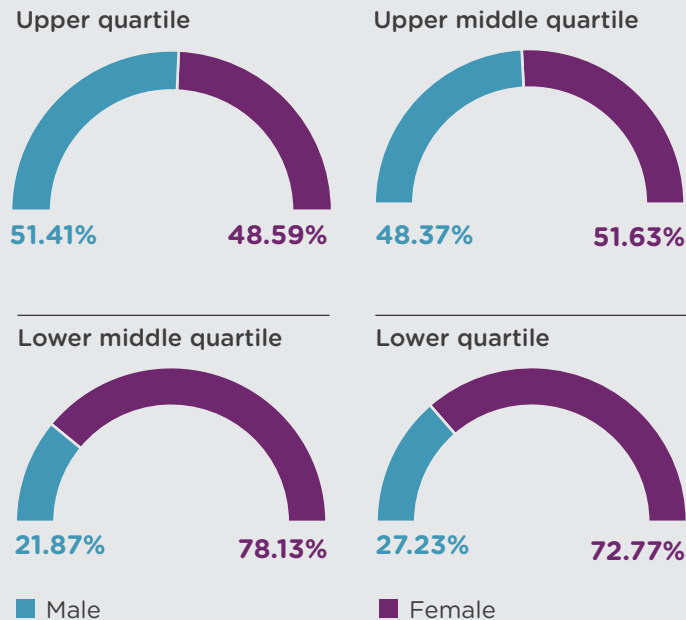
Median gender pay gap



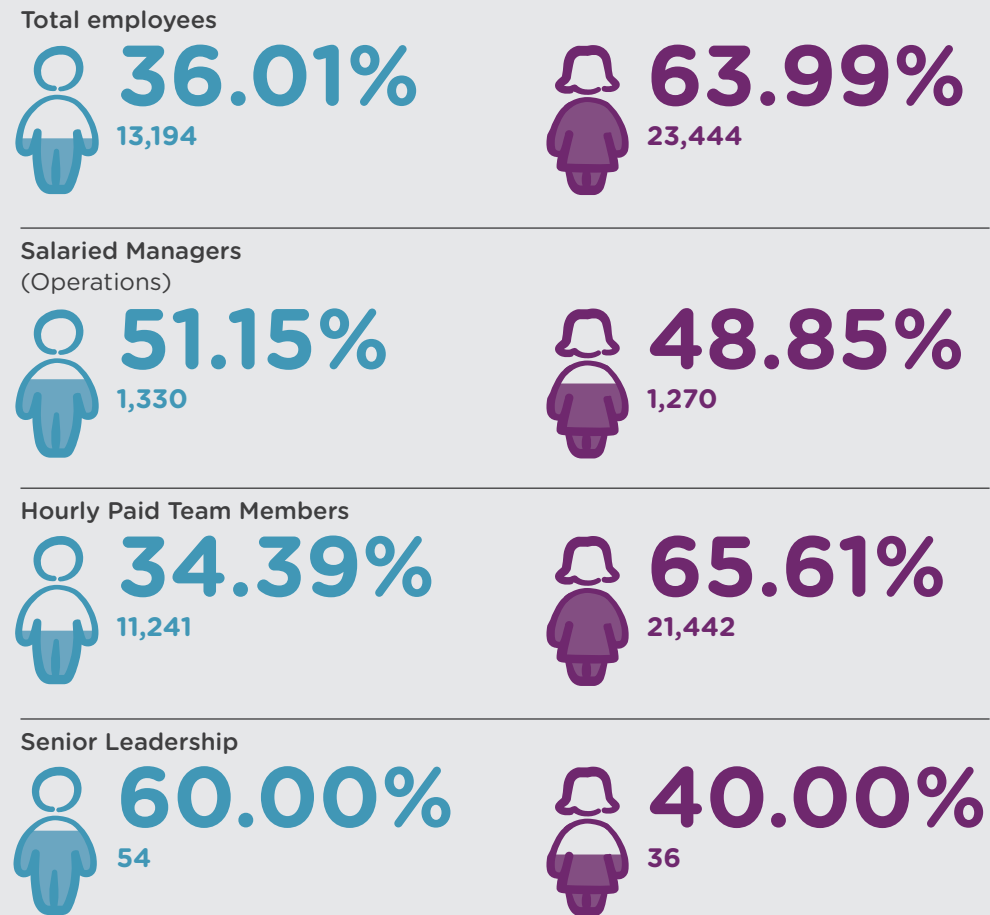
Colleagues receiving a bonus



Proportion in each quartile band 2023



The makeup of our workforce



Ethnicity

Overall, both our mean and median ethnicity pay gaps demonstrate that we have no pay gaps when we compare our ethnic minorities with white colleagues across the whole of Whitbread.

This year's analysis demonstrates a continuation of the themes from 2022, with small pay gaps favourable to our ethnic minority groups, with very similar gaps for both averages of -3.3% (median) and -3.1% (mean). This continues to be due to many of our ethnically diverse team members working in areas such as London and the South East, which will result in higher average pay, as we pay a premium hourly rate in these locations. This continues to contribute to the lack of an ethnicity pay gap within our site operations.

Within our UK Support Centre, in a similar way to gender, we have a larger mean ethnicity pay gap, which continues to be driven by a higher mix of Black, Asian, mixed ethnic or other ethnicity team members in our more junior roles. Whilst we have focused on our senior leadership targets and have better ethnic representation in leadership roles, we still have a higher mix of white colleagues in our highest paid roles.

The small increase in our ethnicity pay gap, in favour of ethnic minorities, is attributed to our work on having better senior ethnic representation, rising from 6% to 8% within this reporting year. Our focus on representation, through recruitment, talent pipelining and development, is an imperative part of our ongoing action plan.



Voluntary disclosure

We are proud that across Whitbread, 91% of our UK-based teams have told us their ethnicity voluntarily. This is a great indication of the special culture that we have in Whitbread, based on trust and transparency. Our disclosure rate has continued to increase year on year, which correlates with our increased focus on Diversity and Inclusion and our visible commitments. This high level of disclosure across the business allows us to create our ethnicity pay gap and share the insights and actions with our teams.

Ethnicity in numbers

Mean ethnicity pay gap

2023

▼ -3.05%

2022

-2.57%

Median ethnicity pay gap

2023

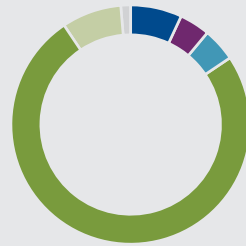
▼ -3.30%

2022

-3.72%

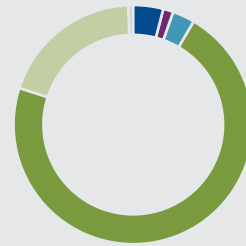
The makeup of our workforce

Total employees



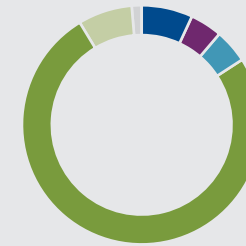
| | |
|-----------------------|--------|
| Asian Asian British | 6.93% |
| Black African | 4.13% |
| Mixed Ethnic | 4.51% |
| White | 75.03% |
| No Record | 8.07% |
| Prefer not to say | 1.33% |

Salaried Managers (Operations)



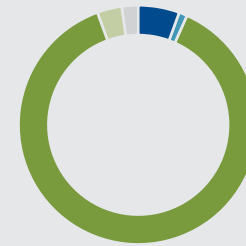
| | |
|-----------------------|--------|
| Asian Asian British | 4.04% |
| Black African | 1.38% |
| Mixed Ethnic | 3.00% |
| White | 71.50% |
| No Record | 19.38% |
| Prefer not to say | 0.69% |

Hourly Paid Team Members



| | |
|-----------------------|--------|
| Asian Asian British | 6.90% |
| Black African | 4.34% |
| Mixed Ethnic | 4.59% |
| White | 75.51% |
| No Record | 7.32% |
| Prefer not to say | 1.34% |

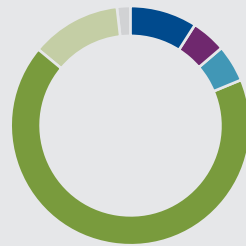
Senior Leadership



| | |
|-----------------------|--------|
| Asian Asian British | 5.56% |
| Mixed Ethnic | 1.11% |
| White | 87.78% |
| No Record | 3.33% |
| Prefer not to say | 2.22% |

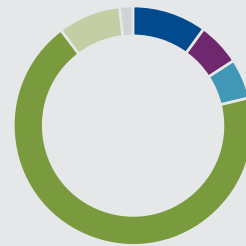
Proportion in each quartile band 2023

Upper quartile



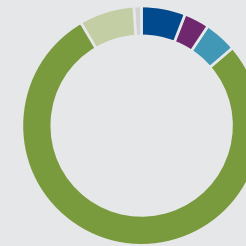
| | |
|-----------------------|--------|
| Asian Asian British | 9.04% |
| Black African | 4.70% |
| Mixed Ethnic | 5.01% |
| White | 67.25% |
| No Record | 12.17% |
| Prefer not to say | 1.83% |

Upper middle quartile



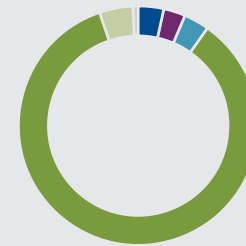
| | |
|-----------------------|--------|
| Asian Asian British | 10.02% |
| Black African | 5.82% |
| Mixed Ethnic | 5.39% |
| White | 68.46% |
| No Record | 8.49% |
| Prefer not to say | 1.83% |

Lower middle quartile



| | |
|-----------------------|--------|
| Asian Asian British | 5.92% |
| Black African | 3.42% |
| Mixed Ethnic | 4.39% |
| White | 77.79% |
| No Record | 7.44% |
| Prefer not to say | 1.05% |

Lower quartile













| | |
|-----------------------|--------|
| Asian Asian British | 3.43% |
| Black African | 2.95% |
| Mixed Ethnic | 3.43% |
| White | 84.93% |
| No Record | 4.53% |
| Prefer not to say | 0.73% |

What we are doing to

Drive change

Our Diversity and Inclusion Commitments continue to give us tangible actions that help us become more diverse and more inclusive as a business.

Pay Gap reporting is an important piece of analysis that helps us to understand the imbalance in representation and the impact of this, across Gender and Ethnicity. We know that these are only two ways that our teams may choose to identify, and our broader D&I strategy focuses on other areas with an intersectional focus. There is more information on this in our 2023 Diversity and Inclusion Report.

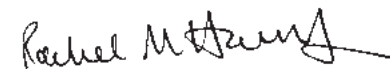
| | | | | | |
|--|--|---|---|--|---|
|  <p>Our Senior Leadership diversity targets continue to help us drive focus and progress</p> <ul style="list-style-type: none"> • 40% female representation by the end of 2023, rising to 45% by 2026 • 8% ethnic representation by the end of 2023, rising to 10% by 2026 <p>These targets are aligned to Executive Remuneration, with a strategy to achieve these focused around recruitment and selection processes. Over the last 12 months we have also put renewed focus on internal talent management practices and developing future leadership talent, to create a more diverse leadership pipeline. We recognise that this is a multi-year strategy that will need continuous focus and investment, which we are committed to.</p> |  <p>Education and Training</p> <p>Mandated education this year for all Operational Leaders on Racial Fluency and Menopause, alongside other topics, enabling greater confidence and fluency in topics that will drive greater female and ethnic representation.</p> <p>These sessions are also available for all Support Centre line managers as part of a wider Line Manager Fundamentals learning programme.</p> |  <p>Active Inclusion Networks</p> <p>Our four active inclusion networks are all sponsored by Executive Committee members, and are open to all our teams to join. They have a role in amplifying the voices of minority communities within Whitbread that helps us drive greater inclusion.</p>     |  <p>A focus on Menopause</p> <p>We are working tirelessly towards our Menopause Friendly Employer Accreditation - reviewing and ensuring our comprehensive Menopause Guide is readily available to our teams, setting up support groups for our teams and also delivering training on the topic to various leaders and managers, including all Operational Leaders.</p> |  <p>A new partnership with BYP</p> <p>Our partnership with BYP (Black Young Professionals) allows our teams to apply for a mentor via BYP - and demonstrates our commitment to developing Black talent for future leadership roles in Whitbread.</p> |  <p>Celebrating key events throughout the year with our inclusion networks</p> <p>Our inclusion calendar is well established and celebrated throughout Whitbread, and all four Inclusion Networks spend time ensuring we are celebrating key events, including International Women's Day, International Non-Binary Day, World Menopause Day, International Men's Day and Trans Awareness Week, as well as Diwali, Ramadan, Eid, Windrush Day, Black Inclusion Week and Black History Month.</p> |
|--|--|---|---|--|---|

| | Pay gap | | Bonus gap | |
|----------------------|---------|--------|-----------|--------|
| | Mean | Median | Mean | Median |
| Whitbread PLC | 10.54% | 4.55% | 51.84% | 20.00% |

| Whitbread PLC | Male | Female |
|-----------------------------------|--------|--------|
| % Receiving bonus | 76.12% | 76.66% |
| % Salaried receiving bonus | 75.82% | 82.41% |

| | Proportion of males & females in each quartile band | | Proportion of hourly rate vs salaried in each quartile band | |
|------------------------------|---|--------|---|----------|
| | Female | Male | Hourly | Salaried |
| Whitbread PLC | | | | |
| Upper Quartile | 48.59% | 51.41% | 58.14% | 41.86% |
| Upper Middle Quartile | 51.63% | 48.37% | 96.76% | 3.24% |
| Lower Middle Quartile | 78.13% | 21.87% | 99.92% | 0.08% |
| Lower Quartile | 72.77% | 27.23% | 99.87% | 0.13% |

I confirm that the gender pay and bonus gap calculations and the data provided for Whitbread PLC are accurate.



Rachel Howarth
 Chief People Officer
 30 November 2023

WHITBREAD PLC

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